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112 West Street
Annapolis, MD 21401

OPPOSE – House Bill 1494 – Electricity – Residential Retail Customers – Billing Requirements and Supplier Provisions.

Potomac Electric Power Company (Pepco), and Delmarva Power & Light Company (Delmarva Power) oppose **House bill 1494 – Electricity – Residential Retail Customers – Billing Requirements and Supplier Provisions**. Pepco and Delmarva Power support customer choice and strong consumer safeguards; however, those goals must be pursued with practical guardrails that prevent billing-system upgrade costs and financial risk from being shifted onto distribution customers through regulated rates.

House bill 1494 directs the Public Service Commission (PSC) to adopt regulations on consolidated billing, purchasing accounts receivable, and related protocols. These are not small policy tweaks— together they can require substantial IT development, systems integration, testing, training, exception processing, and ongoing support. If utilities are required to serve as the billing and receivables platform for competitive suppliers (including time-of-use products), customers can end up paying for new billing interfaces and settlement workflows, expanded customer service and dispute handling, system upgrades and ongoing maintenance, and significant cybersecurity and data-exchange controls.

Utility consolidated billing may offer convenience to competitive suppliers, but requiring the option without explicit statutory rules assigning full cost responsibility would improperly move financial and operational risk from unregulated suppliers to regulated utilities and their ratepayers. If utilities must build and maintain billing tools primarily to facilitate supplier offerings, then suppliers—not customers—should be responsible for the full incremental cost of design, implementation, ongoing operations, upgrades, and support.

Without clear guardrails requiring suppliers to pay the full incremental cost of any supplier-enabled billing/receivables functionality, House bill 1494 risks socializing these costs across all customers, including those who never choose a retail supplier.

House bill 1494 authorizes additional retail products, including certain time-of-use rates and terms longer than 12 months, and contemplates utility purchase of supplier accounts receivable for specified products. Customers deserve clear accountability. When supplier charges appear within utility billing/collections structures, many customers reasonably assume the utility controls the price and terms—even though those are supplier decisions. That dynamic increases complaints and disputes directed to the utility, while the utility lacks the authority to change supplier pricing or contract provisions.

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The State's policy direction in recent years has already recognized the sensitivity of supplier billing and receivables structures. Following enactment of SB 1 (2024), suppliers asked the Commission to require utilities to offer consolidated billing without a receivables purchase component.

The Commission declined to impose that obligation, citing both the significant cost of reprogramming utility billing systems and uncertainty around the future structure of residential retail choice under the new legal framework. Absent a clear statutory requirement that suppliers fully fund these costs, House Bi 1494 risks socializing expenses across all distribution customers.

For these reasons, Pepco and Delmarva Power respectfully request an unfavorable report on HB 1494.